

STATE EMPLOYEE COMPENSATION COMMISSION
August 27, 2014, Meeting Minutes

General Introductions – Compensation Commission Members

Chairman - Representative Michael Madden, Senator Ray Peterson, Director Joan Evans of Workforce Services, and Rita Meyer, public sector member. Joann Odendahl of the Supreme Court and Keith Rounds, public sector member, were not in attendance.

Welcome and Introductions

Administrator of A&I Human Resources Division, David Urquidez, provided the welcome to the Commission Members, as he provided information regarding the nature of the Commission as well as the basis of their appointment. Mr. Urquidez also welcomed the State Employees, the Director of Administration and Information Dean Fausset, and reviewed the Agenda for the meeting.

Approval of Minutes

Mr. Urquidez turned the meeting over to Chairman Madden. Chairman Madden asked for a motion to approve the minutes of April 22, 2014:

- Commission Member Rita Meyer – moved to approve the minutes of April 22, 2014.
- Senator Ray Peterson – seconded the motion.
- Motion passed unanimously.

Chairman Madden returned the meeting to A&I Administrator David Urquidez.

A&I HRD Review and Findings of Employee issues brought before Commission meeting

Troopers

- A&I HRD has been working with DOT HR to identify the specific issues related to the perceived inequities within the trooper series and have discussed a proposal with the Chief of Staff for the Governor. The proposal will be included in the presentation to the Compensation Commission meeting.
 - One basic problem with the trooper pay relates to the compensation policy where the incumbent who is reclassified receives no salary adjustment if their current pay is within the new ranges or they are capped at the bottom of the new range if their salary is below the new range. New employees could be hired at any rate up to the MPP while an employee who is reclassified is most likely to be at the minimum of the range.

- The proposal includes modifying the compensation policies to allow pay adjustments to occur up to the MPP of the new range provided the agency does a complete and thorough analysis of existing employee salaries AND the increases do not increase the agency budget. More specifics of this will be presented at the meeting.
- DOT will identify each position specifically and conduct a thorough review of the pay actions, performance and other factors related to the incumbents salary and present an overall cost to make any adjustments for the employees who were reclassified and the agency feels salary adjustments need to be made.
- A second basic problem is the need for clear communication regarding trooper pay.
 - A&I HRD will build and deliver a specific presentation for Understanding Trooper Pay to share with stakeholders and create a pamphlet with the same information and ensure it is delivered to each and every trooper.

Firefighters

- In response to the issue brought forth by the employee, A&I HRD requested a time study be conducted on all firefighters to obtain a clear understanding of the type of work, hours of work, and hours of rest for each firefighter on each shift.
- Each firefighter provided information related to each of their shifts during the month of June 2014.
- A&I HRD is compiling the data and will analyze the information and compare it to other state employees as it pertains to the issues brought up by the employee.
- A&I HRD also met with the Agency Management, in which we were informed that this employee did not speak for all of the firefighters or the management of the agency.
- It is expected to have the analysis completed and recommendations by the November compensation meeting.

Catherine Jones

- A&I HRD completed a complete and thorough analysis of the pay actions for Ms. Jones as well as the employees she was comparing her salary to.
- There were multiple adjustments provided by the Legislature, as well as some through various compensation related policies, changes to the pay tables and changes due to occupational studies.
- Ms. Jones received the adjustments allowed by policies and or Legislature just as every other employee received the adjustments allowed by policies and or Legislature. The difference is contributed to timing of the adjustments, classification of the position at the time of the adjustments and pay tables and policies in effect at the time of each adjustment for each employee.
- The agency had determined not to make further adjustments.
- A letter is being drafted to the employee.

Converse County

- A&I HRD and the Division of Economic Analysis met with the Attorney General, Law Enforcement Academy Director and the Agency HR to review the economic indicators, housing issues, turnover and market rates for the positions of concern.

Dave Harris, Wyoming Law Enforcement Academy thanked A&I HRD for their efforts in addressing the retention issues by approving salary adjustments for the positions requested.

Update On Rules

Department of A&I HRD emergency rules for Chapter 14 – Performance Management have been signed by the Governor and went into effect 07/02/2014. Public comment period began for the remainder of the rules changes 08/15/2014 and ends 09/29/2014. Rules Hearing will be held on 10/03/2014 at 1:00p.m. in the Herschler Bldg, Room B63. A copy of the proposed rules may be obtained on our web page at:

http://www.wyoming.gov/loc/06012011_1/employees/NoticeofIntent/Pages/default.aspx

Significant Changes

- Simplification of rules on recruitment and selection chapters.
- Major changes to simplify the grievance process.
- Update the rules regarding performance management.
- The proposed changes will reduce the rules from 87 pages to 53 pages or a 39% reduction in the number of pages.
- A reduction of 39% in the number of Chapters from 18 chapters down to 11.

July 2014 Pay Adjustments

- Developed and implemented a position in range and merit market matrix to distribute \$6,534,000 General Funds to state employees.
- The pay ranges for each of the 5 pay tables were broken down into percentiles and an employee received a variable % adjustment based on where their base salary was in relation to the pay range and performance rating received on September 2013 evaluations.

- Employees with a superior rating and lowest in the range received the highest increase (4.75%).
- The increases ranged from 4.75% to 0% depending on the level of performance.
- Forty-eight (48) employees received their increase in the form of a one-time annual bonus as their current salary exceeded the maximum for the pay range, but had competent or above performance.
- Employees with unsatisfactory or no evaluation did not receive an increase.
- 7,623 employees received an average 2.37% salary adjustment.

Compensation Policy Survey

- A&I contacted 119 individuals in 55 state agencies (Directors and HR staff) regarding changes to the Wyoming Compensation Policies.
- Received responses from 35 agencies or 63%.
- Common Theme: “Give the agency the flexibility within the pay grades within current appropriated agency budgets and hold the agency accountable for the results.”
- Based on feedback from agencies and the parameters already established in Chapter 1, Section 5 (d) of the State of Wyoming Compensation Policies, A&I HRD recommends the following changes in concepts to the State of WY existing policy.

Policy Review – Problem Statement

Under current Human Resources Division (HRD) rules for reclassification, it is important to understand that this policy may be creating inequities within the same class title because of the base pay cap being set at market minimum instead of the Market Policy Position (MPP).

The current process is that an incumbent reclassified can only receive a pay increase to the minimum of the pay table. If their current salary is above the minimum they receive no adjustment.

On a vacant position however the agency has the discretion to hire or promote all the way up to the MPP.

Policy Review - Look Forward

Work has already begun with agencies to determine the full scope of the issue, and no later than September 1, we will initiate work with the remaining agencies identifying the possible inequities caused by the current reclassification policy. Then finalize the recommended policy change, and begin closing the recognized inequity gaps.

This one time look will provide the agencies an avenue to correct the inequities that may have been created by the current reclassification policy.

This review and approval will occur on a position by position basis with final approval being granted by the HRD for reclassification inequities only.

Policy Review - Collaboration

In order to better understand this issue, the HRD and the Budget Division within the Dept. of A&I in collaboration with the Director's Office, are in the process of reviewing the existing policy of capping the salary at market minimum for position reclassifications with incumbents.

The current reclassification policy may have created a constraint on the agencies and has limited the employee's compensation to the minimum of the pay range.

Policy Review – Parameters

- It needs to be stressed that **this is a statewide issue.**
- It is important to scope out the impact across all state agencies.
- Recommended policy modifications must be afforded to all agencies independently of one agency's ability to afford pay increases over those agencies that are restricted by the availability of funds.
- It is not believed that the entire population of these inequities can be or should be addressed and ignore the recent pay for performance.

Policy Review - Scope

Scope:

- Our data analysis has concluded that from the time period of 03/01/10 through 06/30/14 that:
 - 1639 reclassifications have been conducted with incumbents between the above timeframe.
- Of these 1639
 - 853 did not receive a pay change
 - 786 did receive a pay change
 - **592 moved to the minimum of the pay range per the reclassification policy in effect 03/01/2010**
 - 118 moved to 91% of the MPP per exception requests
 - 9 moved above min. to a rate less than 91% of MPP
 - 67 moved to a rate more than the 91% of MPP

Compensation Policy (Review)

Reclassification: Allow an employee's pay to be established between the minimum and the MPP of the pay grade, provided the agency has currently appropriated funds available within their existing budget.

Compensation Policy Recommendations (Budget)

Recommendation is to allow a position reclassification for incumbents to be paid up to Market Policy Position (MPP) while controlling budget creep.

Priority given to the following budget methods as follows:

1. Eliminate positions, following through with necessary budget modifications
2. Declassify position(s) salary (net to zero)
3. Move funding from one object class to the salary class where allowed
4. Identify available appropriated funds and leverage where possible
5. Target an amount of the second half of the biennium's currently appropriated funding made available to address pay inequities when all previous avenues have been exhausted
6. Request funding through the budget process when all previous avenues have been exhausted

Compensation Policy Recommendations (Other)

Voluntary Reappointment to a different classification in the same or lower pay grade:

Allow an employee's pay to be maintained or reduced to anywhere between the minimum and the maximum in order to prevent any substantial differences in pay of existing employees.

Involuntary Reappointment to a different classification in the same or lower pay grade:

Allow an employee's pay to be maintained or reduced anywhere between the minimum and the maximum in order to prevent any substantial differences in pay of existing employees.

2014 Update on Performance Management

As of today, 19% completed through the 6 steps.

The steps are:

1. Manager reviews/writes goals, selects target ranges and reviews workplace coaching. Then SCORES all sections
2. Second level manager approves appraisals
3. HR rep approves appraisals
4. Manager writes comments and meets with employee
5. Employee comments and signs-off
6. Manager sign-off

We have 81% that still need to get through all the steps. All evaluations must be done by September 30, 2014.

Planning will open October 1st, 2014.

Employee Requests for Review Received for the 8/27/2014 Meeting

Request #1. Jeff Moody – Is appreciative of the longevity pay that he receives and would like to see the benefit increased if allowed by the budget.

Response to Mr. Moody: The longevity payments are set in the statutes and would require a change by the Legislature. A&I HRD responded to the employee on 8/15/2014 informing him of the statute and indicated we would provide his request to the Commission, however changing the longevity was outside the scope of the Commission.

Request #2. Patricia Halcomb – An employee at the Department of Corrections. During her career with the Department, she took on an assignment as an educational instructor for the Department of Corrections Academy. With this assignment to a classification outside the correctional officer series, the time spent did not count towards the law enforcement retirement.

A&I HRD Recommendation: According to the Law Enforcement Pension Plan Handbook on who is eligible to participate in the Law Enforcement Pension Plan, it states in part “correctional officers, probation and parole agents employed by the Wyoming Department of Corrections”. As the type of job that was responsible for teaching at the Department of Corrections Law

Academy was not classified as “correctional officers” it is assumed by A&I HRD this is the reason the time did not count. A&I HRD notes that the Wyoming Law Enforcement Academy instructors are eligible to participate under this plan.

Request #3. Ronald Glau - An employee with the Department of Corrections. Mr. Glau did not receive the 1% retention incentive payment authorized by the Legislature in October 2013 and indicates he heard there were 14 other people who also did not get the 1% retention incentive payment. He request a review of his case and the other 14 be look at why they did not get the bonus.

A&I HRD Response: In reviewing the information related to Mr. Glau’s request, he did not meet the requirements established to receive the 1% retention incentive bonus.

To be eligible an employee shall meet ALL of the following criteria:

1. Employed as of July 1, 2013 and continue to be employed on October 31, 2013; and
2. Receive a performance rating of competent or equivalent by September 30, 2013; and
3. Have 12 months of continuous State Service with no break in service as of October 1, 2013. (Employed on or before October 1, 2012)

Mr. Glau did not have a performance rating of competent or equivalent and therefore was not eligible for the 1% retention incentive payment.

Fall Meeting scheduled for Wednesday, November 12, 2014 from 1 - 5 p.m. in Herschler 1699.

Adjournment